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THE WHITE HOUSE

WASHINGTON

September 17, 1981

*file  
Private  
Sector*

MEMORANDUM FOR ✓ MIKE DEEVER AND JIM ROSEBUSH

FROM: CRAIG L. FULLER *CF*

SUBJECT: Private Sector Initiative Program/U.S. Chamber  
Participation

Note Dick Leshner's letter which is attached. I think he is coming on board after initially being somewhat reluctant.

Attachment

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

September 14, 1981

RICHARD L. LESHER  
PRESIDENT

1615 H STREET, N.W.  
WASHINGTON, D. C. 20062  
202/659-6207

The Honorable Craig L. Fuller  
Director of Cabinet Administration  
The White House  
Washington, D. C. 20500

Dear Craig:


This is to thank you again for the time you spent with the U.S. Chamber's top-level staff prior to our long-range planning session we held last week. Your remarks were very much on target, and the information you gave us was most valuable to us during our long-range planning retreat.

Attached is a copy of a letter and attachment I sent to some 2,200 local chambers of commerce, and 1,300 trade associations and nearly 1,000 CEO's of major corporations. It urges them to become increasingly involved in community efforts to identify needs, evaluate available resources, establish priorities and identify resources outside of the public sector. We will make this a major communications effort into the foreseeable future.

We hope that as the President urges the private sector to become increasingly involved in community programs, he will also call upon the public sector to manage programs more efficiently and make the tax dollar stretch. There should be no reason whatsoever for any truly needed programs to go begging. Cuts are in programs with a history of waste and even fraud. By managing programs more efficiently, public servants should be able to make sure that no American in real need will be ignored. This is a message we think the President should make.

Again, Craig, many thanks for the time you spent with us. We look forward to doing this more often.

Sincerely,



Richard L. Lesh

Attachment



# Chamber of Commerce of the United States

OFFICE OF THE PRESIDENT

1615 H STREET, N.W.  
WASHINGTON, D.C. 20062

202 · 659-6000

August 27, 1981

TO: CHAMBER OF COMMERCE EXECUTIVES

In recent weeks, we have all read news articles about the Reagan Administration's desire to encourage more private sector initiatives to help meet social needs.

Behind this effort, we suspect, is the following rationale:

1. Cuts in Federal spending could produce some program "gaps" in various communities that private initiatives could fill.
2. Tax cuts, along with spending cuts and regulatory reforms, should lead to a healthier economy and enhance the private sector's ability to take more community-related initiatives.
3. More block grants from Washington will replace many categorical grants and give communities greater flexibility to deal with their real priorities -- priorities the private sector can help identify.
4. Less reliance on government in general should provide incentives to revitalize the American tradition of voluntary action.

This rationale is logical. However, the spending cuts approved by Congress should not create "gaps" in truly needed programs. Most cuts were made in programs with a history of waste, if not outright fraud. Other cuts were in programs that were not essential. More efficient management of all remaining Federal dollars, therefore, should avoid any "gaps" that would be harmful to our communities.

We are witnessing at the national level an historic turnabout that provides an outstanding opportunity -- and need -- for more private sector involvement in the affairs of our communities.

More than any other group in America, it is the business community that for years has recognized the serious threat of too much government bureaucracy, spending, taxes and regulation. We have consistently called for less government and a return to principles that made this country great.

We are now on the road toward these objectives through the Administration's Economic Recovery Program. And the business community has been playing, and will continue to play a major role in helping the Administration get its program through Congress.

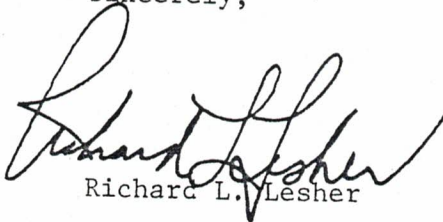
Now, the business community must also turn more of its attention to the local scene and share its know-how and resources to help communities (1) identify the real impacts of spending cutbacks, (2) establish reasonable and realistic priorities to meet real needs, (3) find ways of stretching the tax dollar, and (4) find additional resources that might be available in the private sector.

Enclosed is a brief paper outlining a coalition process for achieving these objectives. It is based on the Middletown Process, for which you received a complete kit of materials in April 1981. The paper also describes other tools available from the U. S. Chamber to help you and your members. We are also aware of a variety of other processes and programs being carried out by business organizations to achieve the same results.

But, most important, is your willingness and the willingness of your business leaders to accept the challenges before us; not simply to fill the gaps, where needed, through increased corporate contributions, but to pull together the right combination of people and other resources in your community to look at needs, establish priorities and give your government officials the benefit of business know-how to stretch the tax dollar.

The U. S. Chamber of Commerce is ready to help you in meeting this leadership challenge.

Sincerely,



Richard L. Leshner

Enclosure

LET'S REBUILD, AMERICA

A National Goal: A Community Effort

A coalition program for reevaluating community  
needs, priorities and resources.

Chamber of Commerce of the United States

August, 1981

## LET'S REBUILD, AMERICA

### A National Goal: A Community Effort

The U.S. Chamber of Commerce has designed and promoted the Let's Rebuild, America program to offer national policy objectives needed to get our Nation's economy back on track.

Key objectives of the program include (1) control of runaway federal spending and (2) reduction of personal and business taxes, both essential to encourage economic growth, create new jobs and bring inflation under control.

The Reagan Administration has these same objectives as its priorities. And, Congress has agreed.

Far-reaching changes can be expected as a result, not the least of which will be a lesser federal role in community affairs.

This offers a promising opportunity to initiate a new era of public-private sector cooperation in every community.

A lesser federal role will require communities to reevaluate their needs, analyze available resources, establish new priorities and find new sources of help. All of this can best be accomplished through joint public-private cooperative efforts where local government and private sector leaders, especially business leaders, work together.

This kind of joint effort is now as essential to "rebuilding America" as is the pursuit of national policy goals called for in the Let's Rebuild, America program.

The U.S. Chamber will continue to press for implementation of all the policies recommended in the Let's Rebuild, America program. But at the same time, the Chamber urges its members to become more involved than ever at the community level so as to be party to critical decisions that now need to be made, as well as to help assemble resources that will be essential.

### A Process for Cooperative Community Effort -- The Middletown Process

Joint public-private cooperation at the community level is not new. There are many examples of successful coalition efforts involving local governments, local chambers of commerce, trade associations, individual companies and other interested groups to deal with problems ranging from hard-core unemployment to support of the arts.



What is now needed are special local efforts designed to analyze how federal budget cuts will affect the community, what changes in priorities will be necessary, what actions can be taken to stretch existing tax dollars and what additional resources might be available from the private sector.

As a model to get this job done, the U.S. Chamber offers the "Middletown Process."

This program is being successfully used in Middletown, Ohio. There it has brought government leaders together with business and other private sector leaders in a highly effective way. The Middletown process can be adapted to meet similar needs in other communities.

A "how to" publication on the Middletown Process has been produced by the U.S. Chamber and sent to hundreds of chambers of commerce. It is entitled, We Can Do It Together (Publication #6455; \$5.00 each). It contains not only the case study of the Middletown program, but a variety of other information related to such an effort.

#### Improving Local Government Fiscal Management

More than ever, communities will need to evaluate public services and measure their costs in relation to their benefits. Ways to stretch the tax dollar will be essential. Improved accounting and reporting procedures, coupled with modern budgetary processes, will be required.

Business leaders in many communities have worked with government to improve fiscal management. The U.S. Chamber has compiled case studies of some of these efforts and has developed broad guidelines to help others do the same.

This information is in a publication entitled, Improving Local Government Fiscal Management (Publication #5908; \$10.00 each).

Other Tools

Other informational and "how to" materials available from the U.S. Chamber that can help private and public sector leaders meet the new challenges of community development include:

Career Education: What Is It and Why We Need It,  
(Publication #3736; \$2.00 each)

The New Private Sector Initiative Program,  
(Publication #6036; \$7.00 each )

Health/Action: Leader's Guide to Fight Rising Health  
Costs in Communities and Companies, (Publication #7025;  
\$15.00 each kit)

NOTE: All the publications cited in this paper can be obtained by writing to: Chamber of Commerce of the U.S.A., 1615 H Street, N.W., Washington, D.C. 20062, or by calling: (301) 468-5128.

Feed-Back

The U.S. Chamber plans to disseminate information about what is going on in communities around the country to meet the new challenges and opportunities that result from changes in the role of the federal government. It will do this on an on-going basis through its various communications media to help and encourage others to get involved.

To accomplish this, the U.S. Chamber needs input from its members and others. Case studies, brief summaries or other accounts of successful programs should be sent in. Likewise, "do's and don't's" learned through experience would be helpful.

All such information should be sent to:

Richard L. Baily  
Manager  
Local and State Chamber Division  
Chamber of Commerce of the United States  
1615 H Street, N.W.  
Washington, D.C. 20062

A Call To Action

For decades, American business has recognized that the rapid growth of government, of government deficits and of taxes was seriously damaging the American economy, creating inflation and gradually strangling private enterprise. Business has repeatedly called for policies to turn this condition around. A comprehensive statement of these policies is embodied in the Let's Rebuild, America program around which thousands of business people and business organizations rallied in 1980.

A result of this was election of an Administration dedicated to many of these policies and a Congress more receptive to them.

With the help of business, the Administration has been able to get key spending and tax reductions through Congress.

With the help of business, additional policies needed to get America's economy back on track will be successfully enacted.

These changes will revitalize the economy and lead to more jobs, less inflation and higher productivity. But they also call for new approaches to community problems.

While maintaining an aggressive role to pursue needed policy changes at the national level, American business must simultaneously be aggressively involved in communities everywhere to assist in bringing about the approaches that the new era of reduced federal support and control will require.

Millions of Americans will measure the results of our new economic policies not only by their impact on jobs and inflation, but by their impact on community services.

Business leaders can help their communities make the adjustments necessary; help them review their needs, establish their priorities, manage their tax dollars and other resources.

Chambers of commerce can be the catalysts to bring business leadership into such action. They can also help to establish effective coalitions in their communities that will be necessary to get the job done.

Now is the time for that action.

MEMORANDUM

*All private sector initiatives*

THE WHITE HOUSE  
WASHINGTON

September 15, 1981

TO: MICHAEL K. DEEVER  
JAMES A. BAKER, III  
RICHARD G. DARMAN  
CRAIG FULLER  
DAVID GERGEN

FROM: JAMES S. ROSEBUSH

RE: Additional components of the Private Sector Initiatives Program

Tom Pauken and I discussed how to boost the voluntarism component of the White House PSI effort. We have agreed on the following two items. Unless I hear any objections, I will begin implementation. Staffing will be provided by ACTION.

1. ACTION/WHITE HOUSE/PRIVATE SECTOR Road Show on Voluntarism.

Beginning in November, ACTION will host one day meetings in Boston, Philadelphia, Atlanta, Chicago and San Francisco to promote corporate and other private sector voluntarism. Local community organizations will be heavily involved and the accent will be on presenting successful models of voluntarism and the need for increased energy in the voluntary sector, and new, creative employment of individuals in service delivery ie: retired executives, senior citizens, employee release time etc.

2. Presidential Volunteer of the Year Awards

ACTION, together with the National Center for Citizens Involvement (George Romney) will reinstitute a National Commission on Voluntarism, for the purpose of selecting individuals for recognition as the "volunteer of the year". Approximately fifteen people from corporate, religious and other sectors will be chosen, with awards given at a White House ceremony and dinner to be held in April, 1982, and annually thereafter.

THE WHITE HOUSE  
WASHINGTON

Mike:

*File*  
*Private Sector*  
*initiatives*

Attached are your talking points for meetings with Baroody & Dole. Darman and I decided to combine statements on responsibility to give a complete picture.

Please give me a time so I can set up the Baroody meeting. How about 5PM Tuesday? Baroody will be out of town on Thursday & Friday.

Jim Rosebush

*Set up*  
*meeting with*  
*Roche 6-5-81*

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 14, 1981

TO: MICHAEL K. DEEVER  
JAMES A. BAKER, III

FROM: JAMES S. ROSEBUSH

RE: Definition of responsibilities for Private Sector Initiatives (PSI)

*NOTE: The following is a definition of roles. These are talking points for your meetings with Baroody and Dole. This is not a complete organizational statement.*

1. AEI - Bill Baroody
  - A. Earlier position of primary responsibility for producing a PSI program revised. Mechanism now identified for internal management of the project.
  - B. Internal control will allow greater flexibility in revising plans and schedule, and will allow closer coordination with other White House efforts.
  - C. AEI can provide important research findings on exemplary private sector projects.
  - D. The on-going AEI project can be a valuable resource in implementing PSI by assisting the corporate community identify courses of action. We applaud this effort.
  - E. AEI can provide invaluable commentary on external perceptions of PSI strategy and success.
  - F. Baroody may also submit, as appropriate, draft statements, speeches and identify groups and individuals the President should recognize.
2. White House Communications - Dave Gergen
  - A. Key role in developing strategy.
  - B. Identify public perceptions/reactions.
  - C. Draft major speeches on PSI and incorporate positions in other statements and speeches.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Page 2

- D. Manage announcements of PSI strategy to the press.
- E. Announce results of the program as they become known.
- 3. Office of Public Liaison - Elizabeth Dole
  - A. PSI will not alter the relationship OPL staff has with constituency groups. PSI has no long term liaison responsibility, as does OPL. It is an incremental project.
  - B. OPL can play a central role in helping implement PSI.
  - C. OPL should carry responsibility for "showcasing" private sector accomplishments at the White House.
  - D. OPL staff should communicate the PSI strategy to respective constituencies and monitor public response.
  - E. Dole should provide regular comment, guidance on, and direction for PSI.
  - F. OPL and PSI should work as a team.
- 4. ACTION - Tom Pauken
  - A. ACTION has its own programs to promote voluntarism, as an independent agency.
  - B. ACTION should develop a Presidential Strategy to promote voluntarism, as a part of the PSI strategy.
  - C. ACTION should propose specific initiatives for joint White House/ACTION projects to promote voluntarism.
- 5. Cabinet/Agency Action - Craig Fuller
  - A. Complete strategy and implementation plans for presentation to the Cabinet.
  - B. Establish process, through Cabinet councils, for receiving agency reports, discussing actions, and implementation of action.
  - C. Coordinate review of proposals by OPD.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Page 3

6. PSI Executive Director - Jim Rosebush
  - A. Development and coordination of all PSI strategy.
  - B. Brief senior staff and seek consensus on specific direction for PSI.
  - C. Meet with business, foundation, voluntary sector leaders to discuss PSI and individual action.
  - D. Spokesman for PSI efforts.
  - E. Staff and advance all PSI functions.
  - F. Assess public reaction to and need for PSI.
  - G. Coordinate resources and PSI efforts of the above.

cc: Richard G. Darman  
Craig Fuller



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*File  
Private  
Initiatives*

September 14, 1981

TO: MICHAEL K. DEEVER  
JAMES A. BAKER, III  
DAVID GERGEN  
RICHARD G. DARMAN  
CRAIG FULLER

FROM: JAMES S. ROSEBUSH *J. Rosebush*

RE: Summary of major Camp David decisions on Private Sector Initiatives (PSI)

1. Announce PSI package week of September 21, 1981.
2. President to breakfast Monday or Tuesday, September 21 or 22, 1981, with 20 private sector leaders to discuss new initiatives.
3. Presidential speech, Sunday or Monday, October 4, or 5, 1981, before National Alliance of Businessmen, Sheraton Park Hotel.
4. "Goodwill Ambassador" to be appointed. (Borman or alternate)
5. Presidential task force to be formed.
6. President to request cabinet action within agencies.
7. Monthly senior staff luncheons with private sector leaders to begin late October, 1981.
8. Ad Council/White House liaison to shift to Rosebush. Strategy: no federal funding; endorse expanded theme.
9. PSI management moved inside the White House. AEI advisory role to be clarified in meeting with Baroody and Deaver.
10. Arts and Humanities report not to preempt PSI announcement.
11. Rosebush, in role of "Staff Director", will continue meeting with private sector leaders.

Note: Calendar of events to follow.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 9, 1981

TO: EDWIN MEESE, JR.  
Counsellor to the President

FROM: JAMES S. ROSEBUSH *J. Rosebush*

RE: September 16, 1981 meeting with Business  
Roundtable Policy Committee

*File here*

Jack Post mentioned to me that you are meeting with the Business Roundtable Policy Committee on September 16.

It would be timely for you to include in your remarks comments about the President's Private Sector Initiatives Strategy. BRT member companies are looking for ways to develop leadership programs and it would be effective if you could reinforce the fact the the Administration is looking to them for leadership and energetic efforts to address community problems.

cc: Michael K. Deaver ✓

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*file true*  
*Private Sector*

September 3, 1981

FOR: MICHAEL K. DEEVER  
FROM: JAMES S. ROSEBUSH  
SUBJECT: Summary of Major Action on Private Sector Initiatives

- Meetings with over forty corporations and private sector organizations to: 1) inform them of the President's Commitment to putting the private sector in the driver's seat; 2) stimulate action and to encourage them to address public issues.
- Results of these meetings: 1) new level of commitment exhibited; 2) some recognition of political imperative for action; 3) few concrete ideas about what kinds of programs to develop but high level of energy and willingness to make it happen; 4) eager to have the President to speak out on the need of a strong private sector.
- Meetings held within Administration:
  - OMB (Block grants)
  - Frank Hodson (Arts and Humanities Task Force)
  - ACTION (Voluntarism)
  - Labor Department (Public Service Employment)
  - OPA (Minorities Enterprise Zones)
  - OPL (Showcasing heroes and planning)
  - Counsel's Office (Establishing Presidential Commission)
  - Department of Commerce (Baldrige's Communication Strategy)
- Responses to press on private sector initiatives. Major interview for National Journal.
- Attempts to renegotiate Ad Council productivity program.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Page two:

- Efforts to forge Administration response to Independent Sector's charge of tax package disincentives for giving equally \$18 billion over the next five years. Treasury running revenue figures now. Due to report within ten days.
- Refinement of private sector initiatives strategy for the President.
- Met with Senator Durenburger's staff to confirm mutual interests in private sector initiatives.

THE WHITE HOUSE

WASHINGTON

August 12, 1981

MEMORANDUM TO MIKE DEAVER

FROM: JAMES ROSEBUSH

SUBJECT: Private Sector Initiatives (PSI)

Enclosed are three copies of:

- A. Summary of the program  
(note additions #6,7,8).
- B. Proposed Agenda for August 21  
lunch.
- C. List of invitees and alternates

I need from you:

- A. Sign off on invitees.  
Calls will have to go out  
Thursday and Friday.
- B. Your comments on balance of  
program so we can begin staffing  
(task force, speech, etc.)

THE WHITE HOUSE

WASHINGTON

PRIVATE SECTOR INITIATIVES

LUNCHEON WITH THE PRESIDENT

AUGUST 21, 1981

AGENDA

- 10:00 a.m. Group assembles  
coffee, informal introductions
- 10:15 a.m. Review: Purpose of the meeting and the  
President's interest in private sector  
initiatives.
- 10:30 a.m. Group discussion: The need for private  
sector action and how this can occur.
- 11:00 a.m. The President arrives;  
Individual introductions;  
Mr. Reagan speaks briefly on his concern  
about the need for private sector leadership.
- 11:15 a.m. Participants briefly review their programs  
for the President
- 12:15 p.m. Luncheon served; discussion continues with  
specific recommendations.
- 1:15 p.m. Meeting concludes

THE WHITE HOUSE

WASHINGTON

PRIVATE SECTOR INITIATIVES LUNCHEON

WHITE HOUSE PARTICIPANTS

Edwin Meese

Counsellor to the President

Craig Fuller

Deputy Assistant to the President  
and Director of Cabinet Administration

Richard Darman

Deputy Assistant to the President  
and Deputy to the Chief of Staff

James Rosebush

Special Assistant to the President

THE WHITE HOUSE

WASHINGTON

PRIVATE SECTOR INITIATIVES

SUMMARY

OBJECTIVE: Put the private sector back in the driver's seat. Stimulate and encourage private sector leadership and action to address public needs.

GOALS:

- Return the nation to the basic principles of the private sector to address public problems.
- Reduce dependence on government by discovering alternative routes to solving social and economic problems.
- Stimulate creative solutions, networks of private sector action, development and deployment of private sector resources and leadership in communities.
- Remove from government impediments to shifting responsibility from public to private initiatives.

ACTION:

1. President makes a major speech on the need to strengthen and build upon the private sector (October 4, NAB?).
2. Private sector initiatives message incorporated into other Presidential speeches throughout fall 1981.
3. President forms Task Force of private sector opinion leaders and does to stimulate leadership and propose Presidential action.
4. President asks the Cabinet to: 1) remove impediments, within agencies, to shift from public to private; and, 2) develop examples of "prime the pump" seed money grants that provide incentives for greater private sector investment in and responsibility for programs.



5. President appoints inter-agency task force to address government wide action that can be taken to remove impediments.
6. National "Volunteer of the Year" Awards elevated to Presidential level. Next April during National Volunteer Week, the President will honor fifteen volunteers from business, labor and community organizations.
7. ACTION agency will: 1) create teams of fund raising experts to provide technical assistance in communities to agencies most affected by cuts; 2) conduct training institutes on volunteerism and resource identification and utilization; 3) aggressively promote the value of volunteerism.
8. Actual private sector initiatives to address community problems will be "showcased" regularly through White House meetings between the "doers" and the President throughout the year.

THE WHITE HOUSE

WASHINGTON

PRIVATE SECTOR INITIATIVES LUNCHEON

CENTURY PLAZA HOTEL

AUGUST 21, 1981

PRIVATE SECTOR INVITEES

COMMENTS

- |  |  |
|--|--|
| 1. William Norris<br>Chairman<br>Control Data Corporation<br>Minneapolis, Minnesota  | Turning urban problems into marketable ventures. Forming "Citi Venture", a coalition of companies with similiar interests. |
| 2. John Filer<br>Chairman<br>Aetna Casualty and Life<br>Hartford, Connecticut  | Representing Clearinghouse on Corporate Social Responsibility and National Alliance of Businessmen.                        |
| 3. Robert D. Lilly<br>President, AT&T (retired)<br>Chairman<br>Local Initiatives Support Corporation<br>New York, New York | Local development with private funds applauded and supported by many corporations and foundations.                         |
| 4. Cornell C. Maier<br>Chairman<br>Kaiser Aluminum<br>Oakland, California  | Jobs program.  |
| 5. Donald Kendall<br>Chairman<br>U. S. Chamber of Commerce<br>Washington, D.C.   | Chamber to replicate the Youngstown local network concept in 2700 communities.   |
| 6. Leslie Luttgens<br>Chairman<br>Rosenberg Foundation<br>San Francisco, California  | Chairman, Council on Foundations   |
| 7. William S. White<br>President<br>C. S. Mott Foundation<br>Flint, Michigan   | Long a leader in self-help   |
| 8. Franklin Murphy<br>Chairman<br>Times Mirror Foundation<br>Los Angeles, California                                       | Strong foundation leader   |

PRIVATE SECTOR INVITEES

9. James S. Munn  
Partner  
Kargianis and Austin  
Seattle, Washington
10. William R. Bricker  
National Director  
Boys Clubs of America  
New York, New York
11. Henry Lukas, Chairman  
New Coalition for Economic  
and Social Change  
San Francisco, California
12. John Patlan  
President  
Mexican American Unity Council  
San Antonio, Texas
13. H.L. "Bud" Sisson  
Executive Director  
Construction Industry Advancement Fund  
San Francisco, California

COMMENTS

- Organizing state wide program to promote private sector initiatives in Washington; may have application to other areas
- Finding new ways to service low income communities
- New black conservative group
- Received millions in Federal aid; now a convert to the Reagan approach.
- Unions and industry donate funds to finance inner city housing.

ALTERNATES

1. Margaret Graham  
Chairman  
Association of Junior Leagues  
Potomac, Maryland
2. Terrance Cardinal Cooke  
The Archbishop of New York  
New York, New York
3. Reverend Leon Sullivan  
Founder  
OIC  
Philadelphia, Pennsylvania
4. Marvel Collins  
The West Side Preparatory School  
Chicago, Illinois
5. James Rouse  
President  
Rouse Development Corporation  
Columbia, Maryland

COMMENTS

- Massive volunteer network
- New drug abuse program for parochial schools
- Nation-wide private sector jobs program
- Celebrated "back to basics" school
- Developers of inner cities for commercial purposes

ALTERNATES

6. Richard Lyman  
President  
Rockefeller Brothers Fund  
New York, New York
7. Jeremiah Millbank  
President  
The J.M. Foundation  
New York, New York
8. Raleigh Warner  
Chairman  
The Business Committee for the Arts  
New York, New York
9. Kenneth Olson  
President  
Digital Equipment Corporation  
Maynard, Massachusetts
10. Dee Jepson  
Foundation for the Poor  
Des Moines, Iowa
11. Governor George Romney  
Chairman  
National Center for Citizen  
Involvement  
Washington, D.C.

12. *Rob Mostbacher (?)*

13. *Joseph Jaworski (?)*

COMMENTS

Large resource committed to strong private sector

Long time financial backer of private sector programs


Promotes business support for the arts

Builds plants in depressed areas



William J. Baroody, Jr.  
President

August 11, 1981

MEMORANDUM TO: Michael Deaver  
FROM : William J. Baroody, Jr.   
SUBJECT : Private Sector Initiatives Project

This memo contains some preliminary conclusions and specific recommendations for phase I of the private sector initiatives project the President has asked us to conduct. Jim Rosebush tells me that time is available on the President's calendar in California during August. I am therefore incorporating proposed use of that time in the following discussion. Specifically, I will briefly address the following items:

- (1) Some conclusions of our research into the need for private sector involvement in the delivery of social services;
- (2) Some initial findings about some programs already underway in the private sphere;
- (3) A suggested schedule of meetings in August to bring President Reagan up to date on these activities and to present to him in detail some illustrative private sector programs he may wish to use later as models;
- (4) A plan to proceed with more structured involvement of private sector leaders beginning after Labor day;
- (5) Some thoughts on the kind of speech the President might deliver in early to mid-September to formally announce this effort; and
- (6) A communications strategy for the Office of Public Liaison to carry out with the involvement of the President, members of the cabinet, and agency heads.

Our research to date confirms our conviction that there exists in the private sphere an enormous reservoir of compassion, energy, and willingness to help the less fortunate in our society. Indeed, I am convinced that with the proper emphasis and leadership by the President, these networks represent a far more efficient and humane means of delivering social services and a chance to restore a proper balance between the public and private sectors of our society.

Conclusions of our research into the need for private sector involvement

Our recent, specific research connected with this project and the substance of AEI's research over recent years into areas of social need coupled with an examination of the programmatic approaches to these needs, strongly suggest that new approaches are necessary. Although much has been made recently about the needs created by recent government cutbacks in programs, we find our conclusions would be the same even if we were operating in a time of increase in government spending. If our nation were faced with the luxury of a doubled federal budget for social programs, we would ask the same questions: Should we continue the government social programs of the past? Would we continue to spend our monies in the same ways? Our recommendations would be the same.

The AEI project staff has identified major problems in the areas of employment, health care, education, child care, crime prevention, and public assistance, despite massive funding for programs in these areas in the past decades. Our examination shows significant failures by government in dealing with these problems, and in fact, incidences in which government has exacerbated or even created part of the problem.

What is strongly suggested by our research is a reorientation of the role of government with less emphasis on its role as provider and manager of services and more emphasis on its role as catalyst and stimulator of promising private sector approaches. We see a whole range of possible government/private sector relationships from:

- (a) continued devolution of federal government involvement to state and local levels through such mechanisms as block grants;
- (b) joint government/private sector projects such as the Social Security Administration's program to train and employ disabled persons in private sector jobs;
- (c) government as a catalyst to private sector action by
  - (1) providing leadership;
  - (2) disseminating information;
  - (3) creating incentives; and
  - (4) removing administrative and regulatory barriers

Suggested Course of Action: Our task ahead is to further refine our data as to areas of need, through regular and informal meetings with private sector groups to be conducted both by the AEI project staff and administration officials.

Some initial findings about some programs already underway in the private sphere

The AEI Mediating Structures and Private Initiatives project has already studied in depth a number of examples of private sector organizations that have been successful in attacking social problems where government has failed. We cite, as illustrative examples:

- (a) The Philadelphia family of David and Falaka Fattah, who in the past decade have sheltered more than 500 gang members from 73 different street gangs and set their lives on positive courses of education and employment. They also negotiated a city-wide peace pact among warring youth gangs and produced a decrease in gang deaths from an average of 40 to only one a year in recent years.
- (b) Sister Ferré, a Catholic nun, who started the Dispensario San Antonio in the Ponce section of La Playa, Puerto Rico, a neighborhood-supported organization with programs in health and education, which now has developed labor-intensive enterprises such as coffee-growing, a greeting card industry, pottery-making, and a bookbinding company.
- (c) Jeff-Vander-Lou, a neighborhood organization in St. Louis that came together to mediate between local citizens and government, and became a highly successful community development corporation generating more than \$22 million in capital development, constructing housing facilities for the elderly, day care centers, and employment and training.
- (d) Jobs for America's Graduates, a nonprofit public service corporation particularly successful in Delaware, run by the leader of the area's major businesses, educational and governmental institutions, labor unions, and community organizations. The program identifies all high school seniors needing jobs and takes responsibility for job preparation, motivation, and placement in the private sector.

These are but examples. Numerous others have been reported to us and more are cited each day.

In addition to the positive examples of private sector actions, AEI research has focused on instances where government, by intervening, has worked to the detriment of otherwise successful programs. One major Meals on Wheels program for instance, accepted federal funding to find it increased the cost of the program without improving it. The oldest and second largest program in the nation, its budget increased from \$290,000 to more than \$800,000, found that its meal service remained constant at 1,300 per day.

Suggested Course of Action: Continue the process of identifying promising approaches developed by private sector groups, analyzing those that appear to be particularly promising models.

#### Meetings with President Reagan

We would suggest a series of meetings to be scheduled with President Reagan for these purposes:

- (a) to discuss with him the background context of the AEI study and inform him of the initial findings;
- (b) to present to him several of the leaders of successful private sector efforts so that he can hear first hand about their programs;
- (c) to provide a forum in which he can discuss with some key national leaders from the private sphere other possibilities for private sector involvement.

Suggested Course of Action: We suggest four two-hour sessions, the first with AEI staff working on the project; the second to be attended by leaders from projects with a demonstrated record of success; the third and fourth to be attended by key national leaders, particularly those who might be enlisted in participatory and advisory capacities.

#### Structured Involvement of Key Private Sector Leaders

For the private initiatives strategy to work, the leaders of various major segments of the private sector must be involved --



and from the initial stages -- in thinking through and devising that strategy. They should not be simply drawn in at the last moment for cosmetic purposes and to ratify what government has already decided for them. They must be inspired to offer their own enterprising creativity freely and enthusiastically; to try to "jaw bone" them into submission to a government plan already firmly set will not be very productive. They will, however, for the most part, respond to vigorous leadership that sets a vision before them and calls them to take an honored and responsible role in a new national thrust to serve the common good.

The types of organizations to be approached: corporations and trade associations, private voluntary agencies, church bodies, academic and research institutions, foundations, trade unions, and ethnic groups.

A decision that must be reached early is how the involvement of the private sector should be structured. Our own view is that those who will be encouraged to implement private sector initiatives must be full participants in their planning and conception.

Suggested Course of Action: Rather than the traditional formal Presidential Commission whose recommendations can be taken or ignored, we would suggest a rather informal, flexible network of advisory or consultative groups and working task forces that would be convened to deal with specific problem areas, segments of society, geographical areas, or whatever other particular topics would arise. This would ensure the widest possible participation in the effort and give all a stake in its outcome. It also would provide a means for cross-fertilization of ideas among private sector groups.

At the highest level, we would suggest a small advisory group structured somewhat like the senior economic advisory council chaired by George Shultz whose function would be to review various findings and proposals, provide advice on them, and act as liaison to various segments of the private sector.

#### Presidential Speech

We would suggest that President Reagan make the first formal announcement of this effort in a speech to the nation

sometime soon after his return to Washington. The speech would have the purposes of (1) demonstrating concern about these social issues; (2) stimulating thought about means to address them, and (3) enlisting the public into private sector initiatives.

Suggested Course of Action: Our suggestion is that he stress the American tradition of public service through private voluntary association described by de Tocqueville and others, speak of the apparent reasons for its decay through the encroachment of government, and assess the potential for its revitalization. Some thoughts on a draft speech will be submitted by the end of August, 1981.

### Suggested Communications Strategy

Once the initial thrust is provided by the President's speech, we would suggest a vigorous program of public dissemination aimed at (a) securing information and (b) enlisting participation of the private sector. This program would include:

- (1) appropriate media briefings and events to be scheduled by the White House Communications Office;
- (2) an ongoing series of meetings with private sector groups to be arranged by the White House Office of Public Liaison involving top-level administration officials and, at selected moments, the President. These meetings, to be held over the 12-month time frame of the study, should include all significant elements of society from business, labor, academia, ethnic groups, not-for-profit organizations, service groups, trade associations, etc. These meetings would be part of the regular functions of OPL, but a significant agenda item in each case should be the private sector initiatives effort. We would suggest that a letter be sent to each group in advance of all such meetings, asking each to be prepared to discuss their areas of concern, their ability to participate, and their recommendations as to how best to facilitate private sector involvement.
- (3) Two to four Presidential Town Hall meetings to be held during the six months beginning September 15 in various regions of the country. In each case, the White House Office of Public Liaison should, in advance, specifically identify those organizations that represent a cross section of the community or

region and invite them to cosponsor the Town Hall meeting, giving them a stake in its success. The all-day meeting agenda should include time for presentations on this question and dialogue with local leaders.

Suggested Course of Action: A single individual in the White House should be appointed to head this effort. He or she should be of sufficient stature to be able to make presentations at the Town Hall meetings, to carry on the necessary communications within government, and to have primary responsibility for recommending Presidential involvement and activity.

THE WHITE HOUSE

WASHINGTON

July 22, 1981

Dear Mac:

This is to confirm our conversation of a week ago about Jim Rosebush.

I appreciate your willingness to assist us in developing a private sector initiative program by detailing Jim to work directly with me. He has assured me that he will be able to continue his important responsibilities as your director of the Office of Business Liaison during this period.

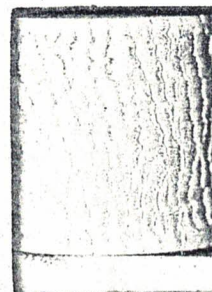
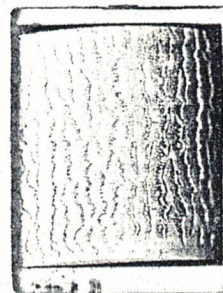
I am sure you share with me the need to address this subject and with Jim's assistance we can now move forward.

Thanks for your support.

Sincerely,

MICHAEL K. DEEVER  
Assistant to the President  
Deputy Chief of Staff

The Honorable Malcolm Baldrige  
The Secretary of Commerce  
Washington, D.C. 20230



THE WHITE HOUSE

WASHINGTON

July 22, 1981

TO: JAMES A. BAKER  
EDWIN MEESE III

FROM: MICHAEL K. DEEVER

SUBJECT: Private Sector Initiatives Program

Progress is being made in developing a Private Sector Initiatives program for the President.

Jim Rosebush has been detailed from Commerce and will report directly to me. In meeting with Craig Fuller and Dick Darman we have discussed the specific components of the program which are reflected in the attached work program summary.

You will note according to the summary that the program will be launched during August and September and a number of critical activities are proposed which will accomplish this.

Jim has met with Red Cavaney of Elizabeth Dole's staff and is developing a working relationship with Public Liaison.

Jim has also met with Bill Baroody and is identifying an appropriate role for A.E.I. in this project.

cc: Craig Fuller  
Dick Darman

PRIVATE SECTOR INITIATIVES

MAJOR ACCOMPLISHMENTS

<u>Action</u>	<u>Accomplish</u>
1. Summarize budget cuts and their impact on the private nonprofit sector. Assess outlook for funding during the balance of the Administration.	August 3
2. Analyze and summarize private sector opinion and reaction to cuts.	August 10
3. Draft Presidential statement on meeting public needs through private resources.	August 20
4. President meets privately with private sector leaders to solicit their views on how to encourage private sector initiatives.	August (California)
5. President asks cabinet to provide (within 30 days):	September 4
A. Examples of agency impediments to shifting responsibility for categorical programs to private sector and action steps to correct.	
B. Examples of how agencies can develop private sector initiatives through grant programs.	
6. President establishes 6-month inter-agency task force to help implement the cabinet report as well as discovering government-wide action that can be taken to remove impediments.	September 4
7. Presidential advisors and senior staff meet with opinion leaders in four nonprofit sector groups: Health and Social Services, Education, Community Development, the Arts, to discuss how to encourage private sector initiatives.	September 1-20

<u>Action</u>	<u>Accomplish</u>
8. President speaks to major nonprofit voluntary group in conference (Council on Foundations, Independent Sector, etc.).	By September 30
9. President announces task force (30 opinion leaders) on private sector initiatives; Goal: Discover and promote private sector solutions to public needs. Also consider ways to foster greater creativity in private sector responses to public problems.	By September 30
10. Mid-Stream Presidential Task Force Report	April 1, 1982
11. Final Task Force Report and presentation to cabinet.	September 30, 1982

## PRIVATE SECTOR INITIATIVES

### MILESTONES

1. President meets with private sector leaders to discuss ways to boost private sector solutions to public problems  
Mid August  
(California)
2. President asks Cabinet to report on impediments to moving from public to private; appoints 6-month interagency task force.  
September 4
3. President speaks to major private sector nonprofit conference incorporating the Administration's private sector initiatives effort.  
By September 30
4. Presidential Task Force on private sector initiatives announced.  
By September 30



# United States Senate

OFFICE OF THE MAJORITY LEADER  
WASHINGTON, D.C. 20510

July 14, 1981

Honorable Michael K. Deaver  
The White House  
Washington, D.C.

Dear Mike:

On two occasions, I have spoken with the President about my interest in a voluntary private sector program to ease the impact of some of the budget cuts in social programs. Judging from the President's reaction, I believe he shares my interest and enthusiasm.

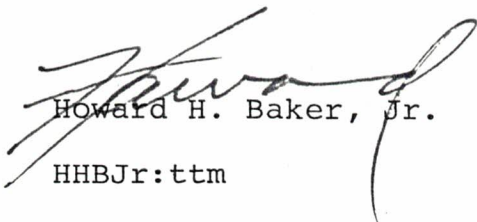
I understand there are at least two proposals under consideration: one developed by Rob Mosbacher, a former member of my staff, in cooperation with Elizabeth Dole's office; and the other offered by Bill Baroody at AEI. I met last week with both of them and found their recommendations sound and consistent. What is required at this point is your authorization to go forward.

The Mosbacher proposal, which is attached, calls for the formation of a committee of 15 to 25 top business executives who would go to work immediately to help place the thousands of terminated CETA employees who have not found other jobs. This effort would be initiated by the private sector and embraced publicly by the President, only after having proven some measure of success. All that is necessary in the short term is for you to invite the committee to the White House to meet with you so that they are aware of the President's keen personal interest and desire to cooperate. The organizers of the committee would do the rest.

The Baroody proposal calls for the study of the concept of private sector initiatives in broader form including obstacles to such initiatives and incentives that may be necessary.

I believe these two projects can go forward simultaneously, and I look forward to discussing them with you at greater length very soon.

Sincerely,

  
Howard H. Baker, Jr.  
HHBJr:ttm

*J. Rosebush  
pls prepare a  
response  
I think you  
should sit  
down  
with Mosbacher*

*Forwarded to  
J. Rosebush 7/23  
JB*

## A PRIVATE SECTOR PROPOSAL

I propose that a major concerted effort be made to shift some of the responsibility for dealing with certain domestic social problems to the private sector. This responsibility should not replace or diminish the more essential role that business will play in the Reagan economic recovery plan, i.e., a quantum surge in new savings and investment, but rather complement it.

The theory is that we will never succeed in substantially cutting government spending, particularly long-term obligations, unless we find some new ways of treating old problems. The choices need not be restricted to the government doing something, or nothing being done at all. In my judgment, the private sector is the most practical alternative.

I would not propose merely adding these responsibilities to the present burden on business of regulations and taxes. Instead, I suggest that appropriate changes in statutes, regulations, or guidelines be made to facilitate the shift.

But, before any of that occurs, several steps should be taken. What follows is one way of proceeding:

- (1) The President should appoint a task force consisting of business leaders and the Secretaries of Treasury, Commerce, and Labor. They would be charged with the responsibility for examining the feasibility of the idea. Specifically, they should make an inventory of existing private sector programs or initiatives in the areas of employment, housing, health care, education, and others. They should study the Japanese system where corporations customarily provide an assortment of social services to employees. Finally, they should determine what changes in taxes and regulations are necessary to create adequate incentives for the private sector to undertake this new responsibility.
- (2) The President should attempt to make the necessary changes by whatever means are available. Some would require legislative action while others could be done within the Executive Branch.

- (3) On the assumption that many of the recommended changes could be made, the President should use his considerable communicative skills to sell the program to the private sector. He could begin by enlisting the help of those who raised money for him in the business community and those who gave.

The intent is not to shift the primary responsibility for programs such as AFDC, food stamps, or Medicaid to the private sector. Rather, I hope by encouraging business to help deal with social problems in their area, a collective reduction might occur in the burden imposed on the Federal Government.

The political ramifications of this proposal are many.

- (1) It offers the Administration a way to sell some of the more sensitive budget cuts by arguing that the private sector will take up some of the slack.
- (2) It provides Republicans in general, and President Reagan in particular, a way to diminish the charge that he is "callous" or "lacking in compassion."
- (3) It gives Republicans an opportunity to take advantage of the so-called "special relationship" we are supposed to have with the business community in this country.
- (4) It gives the private sector an opportunity to help solve some of our social problems and to reduce the size of the Federal budget.

If you have any questions about this, I can be reached at (713) 651-0100, or by mail at:

Mosbacher Production Company  
Suite 2100, 1300 Main Street  
Houston, Texas 77002



Robert Mosbacher, Jr.

THE WHITE HOUSE

WASHINGTON

June 30, 1981

Dear Paul:

I have reviewed the material that you sent to me on Rob Mosbacher's private sector proposal. He has good suggestions and, in fact, is headed in the same direction we are in many cases. As you are probably aware, the President has asked Bill Baroody to assist the Administration in coordinating a private sector program. I have asked Bill to review the proposal and I believe he will be talking with Rob about it in the near future. We will incorporate it into our planning.

Thank you for forwarding the new suggestions.

Best Regards,



MICHAEL K. DEAVER  
Assistant to the President  
Deputy Chief of Staff

The Honorable Paul Laxalt  
United States Senate  
Washington, D.C. 20510

*Prepared by  
Craig Miller*

*cc: C. Fuller*

BPH

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THE WHITE HOUSE  
WASHINGTON

June 25, 1981

Dear Holly:

I appreciated receiving the letter concerning Citizens for a New Beginning. I share your conviction that we need to restore the proper balance between the public and private sectors. Private sector initiatives often can be more effective and humane than government programs because they arise from the people themselves and thus more fully address their needs and express their traditional values.

It will interest you to know that I have recently asked Bill Baroody, President, American Enterprise Institute, to assist the Administration in coordinating a program to help determine how the traditional institutions in the private sector -- neighborhood groups, churches, families, voluntary and ethnic organizations, corporations and labor unions -- can extend and make more effective their efforts to solve society's pressing problems.

The information you sent to me is being forwarded to Bill Baroody. You can be assured that it will be given careful attention as a program for the Administration is developed.

Thank you for sharing with me your thoughts on this important matter.

Sincerely, Ron

P.S. Two prominent Ministers have recently told me they believe the churches should become more involved releasing their as the dispenser of charity.

Mrs. Holly Coors, Chairwoman  
Citizens for a New Beginning  
Union Exchange Building  
Suite 270  
8933 East Union  
Englewood, CO 80111

Mrs. Joseph Coors

01959255



## Citizens For A New Beginning

HOLLY COORS-CHAIRWOMAN, L. DUANE WOODARD-CHAIRMAN, PAT SEAWRIGHT-EXECUTIVE DIRECTOR

UNION EXCHANGE BLDG., 8933 E. UNION, SUITE 270, ENGLEWOOD, COLORADO 80111

TELEPHONE (303) 773-2807

June 14, 1981

Dear President Reagan,

**Problem:** The Reagan Administration is perceived as not being concerned for "The Poor." Dissident groups are organizing to plan disruptions throughout the summer.

**Solution:** Take the heat off by announcing soon a Presidential Commission/Board/Committee being formed to deal with the problems of The Poor. September could be too late, for then the announcement could be perceived as reacting politically rather than acting now with compassion.

**Opportunity:** Never before in history has every major evangelical group been eager and willing to work together to accomplish the goal of helping The Poor. It is you, Mr. President, who has motivated this effort because they believe in you and that you have been called to lead our nation in its hour of need.

**Churches:** A great untapped natural and spiritual resource ready to be unleashed if you will arm them with your blessing.

**Financing:** They do not ask for government financial assistance, rather they will generate funds through Churches and The Free Market Economy and private citizens.

**Business Involvement:** Christian and Jewish leaders in business could be appointed to serve on such a Commission, working together for solutions.

**Leaders:** Dr. E.V. Hill, the great black Pastor from the Los Angeles area; (he is a Republican--broke the back of the Watts riots in '68) would be an excellent choice for overall head. Top Evangelicals respect him and would follow his leadership. Also he has successfully organized 1300 blocks in Watts toward the aforesaid goals and his plan is in

effect and can be adapted.. Dr Hill pleaded with me recently, "Holly, tell the President to give us something to say - some response to those who say the administration doesn't care about the Poor."

Executive Director: Mrs. Roger (Dee) Jepson. A respected and dedicated Christian woman who is willing to undertake this task.

Others: Senator Bill Armstrong and other Congressional leaders have offered their wholehearted support.

Mrs. Elizabeth Dole is helpful and supportive toward the goals.

Thank you! You know far better than I the enormous burden which Welfare imposes upon our nation. What a challenge to turn the churches into the channels they were intended to be in answer to our Lord's directive, "Blessed is he that considereth the poor....." (Psalm 41:1)!

My gratitude always,

HC/hc

Holly

Mrs. Joseph Coors  
Golden, Colorado 80401

(303) 279-1600